

Annual Report

2015-16



Submitted by

**The Provincial Information
and
Library Resources Board**

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PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
PROVINCIAL ADMINISTRATION DIVISION
 48 St. George's Avenue, Stephenville, NL A2N 1K9

September 15, 2016

Honourable Dale Kirby
 Minister of Education and Early Childhood Development
 Department of Education and
 Early Childhood Development
 P. O. Box 8700
 St. John's, NL
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Dear Minister Kirby:

I am pleased to submit, on behalf of the Provincial Information and Library Resources Board, the annual report for the year 2015-16.

This report was prepared in accordance with requirements of a category one entity under the **Public Libraries Act** and the **Transparency and Accountability Act**. The outcomes reported in this document detail the Newfoundland Labrador Public Libraries performance in addressing the strategic issues outlined in the 2014-2017 Strategic Plan.

On behalf of the entire board, I offer our sincere thanks to all our local and divisional board members, staff, partners and patrons who have contributed to or used our services during this past year. I also want to acknowledge the support we have received from the Department of Education and Early Childhood Development and government, your continued use of and support for our services are sincerely appreciated.

As the Provincial Information and Library Resources Board, we are accountable for the results reported herein. My signature below is indicative of the board's accountability for the actual results.

Sincerely,



Calvin Taylor, Chair

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BOARD STRUCTURES

Provincial Information and Library Resources Board

The Provincial Information and Library Resources Board (PILRB - the board) is a category one Government entity established, under authority of the *Public Libraries Act*, to oversee the operation of the public library services in the province now commonly referred to as the Newfoundland and Labrador Public Libraries (NLPL - the organization). The organization has existed, in some form, since 1935.

The PILRB is a provincial board composed of representatives and alternates of regional library boards and appointees of the Lieutenant-Governor in Council. The provincial board has not less than 10 and not more than 15 members which include: (a) a representative from each regional library board appointed by that board; (b) the chairperson of the St. John's Library Board appointed by that board; and (c) up to six other members appointed by the Lieutenant-Governor in Council. The current board members, as of March 2016, can be viewed in Appendix 1.

Regional and Local Library Boards

There are 95 public library locations throughout the province. Each local library is operated by a local library board consisting of five to nine members, with the exception of the three libraries in St. John's which operate under the St. John's Library Board. A representative of each local library board is appointed to a regional library board, which assists the PILRB to ensure services and programs are consistent throughout the different regions of the province and aids in the development and implementation of policies. The structure of the boards is outlined in Appendix 2.

ORGANIZATIONAL OVERVIEW

Vision

A public library system that provides universal access to a full range of library services supporting personal growth, life-long learning and recreation while helping to connect people and communities.

Mission

By March 31, 2017, PILRB will have improved library services, facilities and equipment to enhance the library experience for the people of Newfoundland and Labrador.

Mandate

The mandate of the PILRB is outlined in the *Public Libraries Act*. It states:

6. (1) The provincial board shall establish and operate those public libraries in the province that it considers necessary and shall provide support to ensure that library materials, information and programs are available to meet the needs of the public.
- (2) The provincial board shall provide:
 - (a) a resource collection of selected materials in its provincial reference and resource library which shall be available to the various libraries in the province;
 - (b) a centralized cataloguing and processing service through its technical services department;
 - (c) library service to communities that do not have a local library through its books-by-mail service;
 - (d) centralized administrative services through its provincial headquarters; and
 - (e) other centralized services considered necessary by the provincial board.

Lines of Business

NLPL offer a variety of services throughout the province available to individuals of all ages. While there is a desire to have all services offered from all sites, certain services are available only at select sites due to hours of operation, size of the facility and staffing allocations. The majority of the services are provided free of charge but some are subject to minimal fees.

Library services are available to all individuals holding a valid library card and, in some cases, to individuals without a library card. Library cards are provided free of charge although replacement cards cost \$2.00. With a valid library card, library patrons can:

- access information in a library;
- borrow materials;
- attend library programs;
- use public computers and access the Internet;
- access electronic resources remotely; and
- participate in outreach services.

Library activities have been grouped into three distinct lines of business:

1. Information Access

- a) Patrons can access information in print and electronic formats.
- b) Patrons can make queries, and/or access library catalogues and databases housed in libraries.
- c) Patrons can access in-house information (also available to persons without a valid library card.)
- d) Patrons can use public library computers.
- e) Patrons can utilize free wireless internet services which can be obtained in or adjacent to the library in selected sites.

- f) Patrons can acquire assisted technology, emerging technology and new technology at designated sites.
- g) Patrons can access major collections, i.e. the Newfoundland and Labrador collection, special interest collections, and the Literacy Clearing House collection.
- h) Online services are available from within the library and from a computer at home or elsewhere.

2. Information Lending

- a) Public libraries lend print materials and, where available, materials in audio, visual and/or digital format.
- b) Patrons are free to use materials on site and, where available, can renew or reserve materials from home computers using their library card access number.
- c) Certain sites lend equipment such as digital cameras, laptop computers, etc.
- d) In selected areas of the province patrons can borrow books by mail or receive books via home reader services.
- e) Individuals can also obtain materials, through inter-library loans, from other libraries within or outside the provincial public library system.

3. Programs for Life-long Learning

- a) Any person can participate in library programs designed to address the needs and interests of all age groups, such as preschool story times, class visits, book clubs, special presentations, computer training, etc. These programs are intended to help improve literacy, promote culture, increase skills and knowledge, or for simple enjoyment. Occasionally, outreach programs are also provided.

Library Funding

The public library system is funded, primarily, by the Provincial Government in the form of an annual operating grant. In 2015-16, the grant, excluding one-time funding transfers, was \$10,963,900. In 2015-16, new funding was received for the following:

- \$140,000 to increase substitute librarian hours from 50% to 100 %.
- \$260,000 to hire four new professional librarians
- \$222,600 to address facility issues at the Port aux Basques Library as a result of flooding.
- \$297,000 to address increase severance payouts due to retirements.

Many municipalities regularly contribute to the operation of public libraries either by providing direct funding or in-kind contributions. The funding provided in 2015-16 was low (\$70,700) considering the number of communities in the province, but the in-kind contributions were significant. These in-kind contributions, in the form of free or low cost rent, snow clearing, maintenance, etc., which are not included in the budget figures, were estimated to exceed \$1,000,000. The remainder of the funding was self-generated from fines, fees for service and donations. The total operating and capital budget for 2015-16 was \$11,948,852.

The PILRB's fiscal position is audited annually by the Office of the Auditor General. The Auditor General's report and the audited financial statements for 2015-16 are attached in Appendix 3.

Staff Complement

As of March 31, 2016, NLPL had a total staff complement of 197 full and 58 part-time permanent employees (139 full time equivalents; 180 female and 17 male) and 149 substitute employees (142 female and 7 male). Substitutes are casual employees who are called to work when permanent staff members take leave. There were also approximately 700 volunteer library board members and many other individuals who volunteered to support their public library. The organizational chart can be viewed in Appendix 4.

Library Locations

There are 95 public libraries located throughout the province. These libraries are divided into four regions:

Western Newfoundland and Labrador	30	(includes 6 in Labrador)
Central Newfoundland	33	
Eastern Newfoundland	29	
St. John's	3	

Of the 95 public libraries, 31 are located in schools, 34 are located in municipal buildings, four are located in government buildings and 26 are located in PILRB owned or leased facilities.

Partnerships

During the past year the PILRB continued to maintain excellent partnerships with a number of groups and agencies which contribute to the provision of quality library services and programs:

- Many municipalities supported public libraries with funding or in-kind contributions.
- Local volunteer library boards raised funds for extra operating hours and to help establish and support PILRB programs.
- The Newfoundland and Labrador English School District continued to provide space for 31 school/public libraries as well as cleaning and maintenance services.
- Sharing of resources and best practices continued with libraries at Memorial University and College of the North Atlantic.
- The Department of Education and Early Childhood Development provided approximately 98 per cent of all PILRB funding as well as expertise when needed. It also continued its partnership with the PILRB for two early literacy initiatives: Kinderstart and the Every Child Ready to Read Program. The Kinderstart initiative provides free books to preschool children upon visiting their public library and signing up for a library card. The Every Child Ready to Read Program involves five, one hour sessions provided by library staff.
- The Department of Transportation and Works continued to be a valuable partner in helping to identify and correct issues with buildings or properties and with the tendering process.

- The Department of Education and Early Childhood Development engaged consultants to assess libraries located in schools to ensure that public accessibility to these libraries was achieved while complying with the Safe and Caring Schools policy.
- The Toronto Dominion Bank and Library and Archives Canada supported the TD Summer Reading Program and the Canadian Council for the Arts supported Literary Readings Program. Both programs, offered in partnership with public libraries, helped enhance literacy.
- Canada Post continued to support the Library Book Rate, a reduced postal rate for mailing of library materials from library to library and library to end users. This rate helped provide library services to remote communities without library facilities and made it economical to share library materials between libraries.
- CBC partnered with the PILRB in a variety of programs, for example “Canada Reads,” in support of reading and literacy.
- The Chartered Professional Accountants partnered with various PILRB libraries to hold various financial information sessions such as “Bankruptcy /Credit Counselling, Effective Tax Strategy, and Ten Healthy Habits of Financial Management”
- There were many other organizations and agencies that assisted the PILRB on a daily basis. That support, which was critical to the effective and efficient operation of public libraries, was truly appreciated by the boards and staff.

OPERATIONAL ACHIEVEMENTS

In 2015-16 the PILRB continued to implement a full range of library programs and services through its 95 public library locations. The following is a summary of operational activities during the fiscal year:

Library Services

Each year the PILRB records various statistics to help determine trends and evaluate the effectiveness of library programs and services. The following statistical summaries, from 2015-16, will provide an overview of activities in the areas monitored:

- Of the 514,536 residents of the province (2011 Census, Stats Canada), 475,946 people (92.5 per cent) had direct access (within a 30 minute drive) to a range of library and information services through 95 public library facilities. One hundred per cent of the population had access to library materials either through library facilities or outreach initiatives such as Books by Mail, electronic resources and eLibrary services.
- 139,885 individuals were registered as library patrons representing 30 per cent of the population served. (This may not be a true reflection of the number of patrons because the patron records were not purged in 2015-16 and a decline is expected when this occurs.)
- 1,590,815 items of library material were circulated to all patrons. This is an average of 11 items per patron and represents a 0.5 percent increase in circulation over the previous year.
- 209,564 reference requests were processed. This represents the number of written and verbal inquiries processed by staff and is on par with the previous year.
- 102,905 interlibrary loans were processed. This represents the number of items

transferred from one library to another, within or outside Newfoundland and Labrador public libraries and is a one per cent increase compared to the previous year.

- 13,679 library programs were offered with a total of 116,722 people participating. There was a ten percent increase in the number of programs and a four percent increase in the number of people participating compared to the previous year.
- 184,961 items (169,719 e-books and 15,242 audio books) were checked out from our e Library service. This represents a four percent increase compared to the previous year.
- 268,914 computer use sessions were recorded (30 minute blocks) from 468 public computers. This represents a three percent decrease compared to the previous year.
- 247,528 wireless sessions were recorded which represents the number of patrons who connect to the public library Internet services, wirelessly, using their own computer or device. This represents a sixteen percent increase over the previous year.

Library Facilities

- The Local Library board in Torbay was given notice that the library would close March 31, 2016. In response, the Town of Torbay agreed to rent temporary space in a commercial building until December 31, 2016 to provide time to locate a suitable alternate permanent location for the library.
- Construction and landscaping work was conducted on the Port aux Basques Library to address flood damage which occurred in 2013 and to prevent future water damage. The project is expected to be concluded in the summer of 2016. Government contributed \$322,000 towards the cost of this project.
- Work continued on the identification and elimination of Fire and Life Safety Issues in all library sites throughout the province. The following sites were improved under this program: Arnold's Cove, Catalina, Bishop's Falls, Botwood, Gambo, Gander, Twillingate, Deer Lake, Labrador City, Port aux Basques, Woody Point and AC Hunter Library.
- Upgrades were made to the following sites during the year as part of regular capital improvements: Bonavista, Clarendville, Greenspond, Gambo, Gander, Happy Valley Goose Bay, Harry's Harbour and King's Point.

Library Materials

- 32,513 copies of new library materials were purchased for public libraries sites around the province. This represents an increase of 83 items over the previous year.
- 12,669 copies were purchased through local fundraising initiatives. This represents an increase of 240 items or two per cent over the previous year.
- \$950,000 was allocated for library materials in the following categories:
 - \$432,875 for books
 - \$100,000 for periodicals
 - \$15,000 for standing orders
 - \$123,000 for electronic information services
 - \$120,000 for DVDs
 - \$10,000 for audio books
 - \$60,000 for e-books
 - \$26,125 License and Fees
 - \$63,000 for miscellaneous items: binding, fees, supplies, freight, etc.

Technical Services (cataloguing and processing)

- 45,182 items were received in technical services. This represents the total materials which are received in the division and require some action.
- 48,231 copies of library materials, including new purchases, donations and existing materials, were catalogued. This represents an increase of 29 per cent over the previous year. Cataloguing is a process where information relating to library materials is entered into a database according to standardized rules and practices. This facilitates the tracking and retrieval of information on specific library materials. Not all materials received or processed is catalogued.
- 47,275 items were processed. Processing includes the stamping, repairing, covering and labeling of library materials. This represents an increase of 6,346 items, or 13 percent, from the previous year.
- Technical Services staff continued to participate in automation projects. One project, Glovertown, was completed in 2015-16. Since 2001 we have been able to automate 47 of our 95 public library sites. Automation of library sites involves installing the NLPL automated library management software system and inputting library material information. Automation allows patrons to view the holdings of the library online, expedites the checking in and out of materials and automatically tracks overdue and lost materials.

Special Projects/Activities

- A new Express Collection was created consisting of high demand books and DVDs available on a first come, first served basis for short term loan. The purpose of this new collection is to maximize use and access to the most popular items, increase circulation and showcase the most in-demand items and reduce hold lists.
- The Welcome Project saw the PILRB partner with the St. John's Local Immigration Partnership to make local libraries more welcoming to new citizens. The project saw the purchase of over 500 new children's books in 45 languages. A similar partnership with the Town of Gander, the Anglican Church Diocese, and Gander Rotary Club provided the resources to create a multi-language collection in Gander and Lewisporte Public Libraries.
- A new Pop-Up Library was initiated to bring the library out to the community. The Pop-Up Library is a miniature full service library where patrons could obtain a library card, borrow books and DVDs, learn how to use the e-library attend story times and make crafts. The Pop-Up library was held seven times from July through September 2015, at the St. John's Farmer's Market held at the Lion's Club on Allandale Road.
- In 2015-16, 90 of 95 library sites across the province participated in the Summer Reading Program with a total of 2,453 children registered. This program was co-sponsored by the Toronto Dominion Bank and Library and Archives Canada and helps enhance the reading skills and literacy levels of children.
- The PILRB's e-library service continues to grow as a result of increased awareness and content. Circulation last year reached 184,961 items which was a four percent increase over the previous year. The e-library is the most circulated collection in the NLPL system

after the AC Hunter Library collection, in St. John's. This service allows downloading of electronic books and audio books, from within the library or home, to a variety of devices such as a Kobo, Sony e-reader or Apple iPod/iPad. This e-resource is helping expand library services to people who do not have access to a library or have difficulty getting to one.

- In 2015-16, NLPL partnered with the Canadian Revenue Agency in its Community Volunteer Income Tax Program. The initiative saw the establishment of information sessions, with CRA Volunteers, in various library sites around the province.
- The professional arm of the NLPL was strengthened by the successful recruitment of four new librarian positions: three Regional Librarians, and one Systems Librarian.

REPORT ON PERFORMANCE 2015-16

ISSUE 1: Enhanced Promotion of the Value of the Public Library System

Through the course of many years it has permeated through society and almost all segments of the population that public libraries have books. Lots of books, on many topics, in many shapes and sizes for all ages. It is not a topic that is new or surprising to the citizens of Newfoundland and Labrador. It is not something that the PILRB needs to advertise. Despite this, modern public libraries suffer from a perception problem. Many people do not realize that public libraries have become places where the public can also obtain internet access, motion pictures, television series, computer training, genealogy information, and programming for all ages. In order to communicate to the citizens of Newfoundland and Labrador the many products and services that can be found in the public library system, the PILRB decided that it was necessary to enhance promotion of the value of the public library system.

Goal: By March 31, 2017, the Provincial Information and Library Resources Board will have enhanced promotion of the value of the public library system.

Measure: Enhanced promotion of the value of the public library system

Indicators: Increased activities to enhance community awareness
Increased communication efforts
Increased interaction with government
Targeted partnership opportunities

2015-16 Objective:

By March 31, 2016, the provincial board will have commenced implementation of the promotional strategy.

Measure: Commenced implementation of promotional strategy

Indicators: Updated and distributed promotional information to all library sites
Outlined promotional plan to municipal and community partners
Advised schools of enhanced student volunteer opportunities in public libraries and developed student volunteer activity plans

Developed action items for local library boards, divisional offices and HQ

Updated and distributed promotional information to all library sites

In 2015-16, the PILRB redesigned and reprinted Phase 1 of a two year poster program. In May 2015 all library sites received multiple copies of six different posters. These posters advertised various library services such as Summer Reading and Back to School Programs, DVDs, Audio and E-Books, along with other Services and Programs. An additional personalized promotional poster was designed to allow local libraries to customize the poster for their own personal events. Local library staff were instructed to partner with local businesses, municipalities, schools and government offices and post one of the six posters throughout their service area approximately once every two months.

Additional promotional material in form of day planners, key chains, and pens, were distributed to local library boards in the NLPL system.

The PILRB created and acquired a Newfoundland and Labrador animal themed, environmentally friendly library bag that was designed to increase excitement about using and visiting the public library. Additionally specialized colorful “Go Wild for Reading” Library Bags were distributed to library sites as prizes and promotion items.

Twitter feed and Facebook pages were enhanced and assigned dedicated staff to insure that the social media presence of the NLPL was consistent and provided useful information on library activities to all NLPL followers.

In March 2016 the NLPL partnered with Statistics Canada, to develop a bookmark that promoted the NLPL story time program, while creating awareness of the 2016 Canadian census. These bookmarks were distributed to all NLPL sites.

In October 2015 the NLPL began sponsorship of the weekly children’s page “Kids Scoop” in The Western Star daily newspaper. This made it easier for children and parents to identify the NLPL as another source of children’s activities and reading material.

Outlined promotional plan to municipal and community partners

During 2015-16, Professional Librarians in St. John’s met with representatives of the City of St. John’s to outline its promotional plan and coordinate local initiatives to bring new and existing patrons to the libraries for new programs.

As part of the promotional plan, local library sites were provided with promotional brochures highlighting literacy and library programming to be distributed in local day care and family resource centers , schools, and other facilities frequented by families with young children. This was designed to attract those individuals who may not have been currently aware of the service provided by their local library.

Advised schools of enhanced student volunteer opportunities in public libraries and developed student volunteer activity plans

During 2015-16, NLPL advised schools of volunteer opportunities and developed student volunteer activity plans. NLPL managers contacted principals in various High Schools to advise that volunteer opportunities were available through the PILRB for students enrolled in Career Education 2201. The NLPL designed a promotional community outreach and awareness project to be delivered by student volunteers. This was a library awareness project piloted in high schools in two of the Operating Divisions (Central and Western). Promotional scripts and materials were developed for use by student volunteers to make local citizens aware of various library programs and services. The program was designed to supplement the volunteer hours that high school students are required to complete in order to achieve a high school diploma.

Developed action items for local library boards, divisional offices and HQ

In May 2015, a comprehensive list of library program offerings was developed and released to divisional offices, and local libraries. This identified upwards of 100 programs in 12 categories that could be promoted and delivered at local libraries. It also contained a list of potential organizations that local libraries could partner with to conduct these programs.

In September 2015, each individual local library board was written a letter encouraging them to take the following actions:

- Identify new funding opportunities through partnerships inside and outside the province.
- Seek out new board members to obtain fresh ideas for library activities and promotion.
- Lobby local municipalities to provide funding or in kind support to their local library.
- Submit any new ideas for programming or promotion to their Division Office.

In January 2016, Provincial Headquarters was asked to identify potential advertising opportunities that would promote and increase the visibility of local libraries. Provincial Administration negotiated a pilot sponsorship of the Western Star's weekly Kids Scoop page. This weekly sponsorship allowed the PILRB to reach parents and children, and create a stronger link between reading, literacy, programming and public libraries.

In February 2016, Provincial Headquarters along with Regional Librarians from division offices completed a redesign of the PILRB Newsletter. The newsletter's focus was shifted from a local library news reporting document to a professional development and training mechanism. This allowed Division Office, Professional Librarians and Provincial Headquarters an avenue to communicate advice, training, best practices and programming opportunities to local library boards and library staff.

Discussion of Results

In 2015-16, a significant piece of work was completed on the redesigning and updating of the NLPL print media. New bookmarks, promotional pocket pals and calendars, select promotional

items and giveaways were provided to regional offices as they held community events. In each case the receipt of promotional products were well received and added awareness of the public library system.

A research project was completed to identify the various types of programs that were being held across various library systems in Canada. These programs were compiled into an extensive list that allowed local libraries to promote programming and the many activities that can be held at local libraries.

The Every Child Ready to Read program increased awareness of the role public libraries play in childhood literacy and development.

In the seven major reportable usage categories, six of the categories saw usage increases over the previous year. The largest increase came from local programming with 10% over 2014-2015.

It should be noted that in June 2016, an organizational and service review of libraries was announced to form the future of the provincial library system. The results of this review will impact the overall system and promotional plans may require revisions as a result. At this point in time, impacts of changes to the system cannot be readily predicted, and the promotional plan may need to be re-evaluated in the upcoming year.

Year 3 Objective

By March 31, 2017, the provincial board will have continued implementation of the promotional strategy.

Measure: Continued implementation of promotional strategy

Indicators: Implemented communications regarding review process

ISSUE 2: Sustainability Plan for the Public Library System

Many changes have occurred over the past 10 years that impact on public library services. Issues such as changing technology, demographics and client expectations affect where libraries are located, how libraries function, what services are provided and options for service delivery. A sustainability plan will help create a strong and vibrant public library system that can serve the residents of the province in the future. The PILRB must utilize its limited resources in a prudent and fiscally responsible manner to not only maximize library services but to ensure the NLPL remains a viable organization.

Goal: By March 31, 2017, the provincial board will have maximized its services within current fiscal resources.

Measure: Maximized services within the current fiscal resources

Indicators: Identified and implemented operational efficiencies where possible
Engaged staff throughout sustainability process
Pursued alternate funding opportunities
Enhanced staff development and recruitment

2015-16 Objective:

By March 31, 2016, the provincial board will have completed development of a sustainability plan and begun implementation of options to maximize services.

Measures: Completed development of sustainability plan
Begun implementation of options

Indicators: Completed development of sustainability plan
Identified alternate funding opportunities
Developed an improved staff development and recruitment plan

Completed development of sustainability plan

The Newfoundland and Labrador Public Library System has traditionally been a challenge to operate with 95 libraries, four divisional offices, and a provincial headquarters, all located in a geographically disperse environment. However, the Board has always strived to provide the best public library services within its means.

In January 2016, the PILRB neared completion of a sustainability plan that would have focused on three main areas: Improved Efficiencies, Increased/Reallocated Resources and Maximized Services. Work began on this plan with operational reviews and implemented changes occurring in the following areas:

- Internet Connectivity - Increasing the speed and lowering the cost of connectivity to public libraries.
- Mobile and Physical Phone Use - Lowering the types and number of physical phone lines and features. Evaluation and transition to more cost efficient mobile phone packages.
- The creation and implementation of a Green Plan. Reduce the impact of PILRB operations on the environment including the elimination of paper forms and processes in the Business Office.
- Development of an Information Technology Infrastructure plan. Reduce the number of computer servers and provide for more efficient long term redundancy of PILRB's Information Technology infrastructure.

However, this plan was not completed as the PILRB had to shift focus in February 2016 to determine various cost-saving measures, along with all Provincial Government entities.

Identified alternate funding opportunities

During 2015-16 additional sources of revenues were explored to assist the organization in obtaining additional funding resources beyond the traditional operating grant from the Government of Newfoundland and Labrador. Potential sources of additional funding were identified in the following areas:

- Expansion of Municipal Partnerships to increase the amount of in-kind contribution from municipalities to local library operations, which would lessen the amount of direct funding required to operate local libraries.
- Increase the percentage of Library Fine and Lost Material fee collection through the expansion of computer automation to non-automated sites. In 2015-16, one additional site was automated bringing the number of sites automated to 47 out of 95 library sites.
- Implement a fee for service of \$1 per check out for DVD's that are new and in high demand.
- Increase public donations through the inclusion of a donate button on our website, and to have donation envelopes present at all local library sites.

Developed an improved staff development and recruitment plan

During 2015-16, the PILRB developed an improved staff development and recruitment plan. The first step in the plan was the creation and recruitment of four additional professional librarian positions. Detailed professional job descriptions were created, evaluated, and submitted for classification. Upon classification four nation-wide job competitions were held to successfully fill the following positions created with the aim of supporting staff development and recruitment.

Three Regional Librarians

The structure of the NLPL system contains 95 sites, with five divisions supported by a provincial headquarters. There are one executive director, three directors and four managers to manage all the activities generated by these sites. Each manager has approximately 30 libraries to manage, with upwards of 50 staff per division. Except for one support staff, there is no other assistance for the manager to utilize. When the manager is on leave, there is no one available to manage the division.

There was also an identified need for an increase of Professional Librarians within the organization. There were no Professional Librarians outside of St. John's to provide library expertise and professional support for 92 of the 95 public libraries. The PILRB had only four Professional Librarians to service the entire organization.

To address the above issues, three additional professional librarian positions were created, one each in Western, Central, and Eastern Divisions. The duties include providing support to rural library operations with professional services, and providing some support when the Division Manager is absent. The hiring of the Professional Librarians is also a fundamental first step in

increasing staff training and development of local library staff as part of the PILRB's staff development and recruitment plan. Without their expertise, it would be highly unlikely that the PILRB would have the staffing capabilities to introduce a comprehensive training program.

Systems Librarian

The PILRB has also enhanced its information systems. An integrated library management system (Horizon) was implemented providing needed improvements to the operations of the organization. It was identified that there was insufficient resources to manage the library management system and without a dedicated staff member maximum benefits of the systems would not be achieved.

Automated circulation has now been rolled out to 47 library sites. It was identified that a Professional Systems Librarian position was needed to administer the library management system and to orchestrate the continual rollout of automation to the individual library sites. This position would also manage, administrate and train staff in the NLPL's new e-library system and collection. It was identified that it was an oversight not to have a System Librarian to oversee the Library Management System.

Discussion of Results

During 2015-16 efforts were primarily focused on achieving the measures and indicators of the PILRB's 2014-2017 Strategic Plan. Work had begun on identifying and implementing operational efficiencies that would make the NLPL system more efficient and sustainable. Professional Librarians were recruited to shore up the administration arm and to bring direct expertise to local libraries, and bring long term continuity to the PILRB's Integrated Library System. Plans were being developed to increase revenues to help sustain 95 libraries, in four operating divisions.

In February 2016, the operational focus and direction of the organization shifted. The PILRB refocused its limited human resources and tasked its Directors and Division Managers to identify options that would sustain the organization in light of the new fiscal realities facing the Government of Newfoundland and Labrador. The entire process consumed a large portion of the NLPL strategic planning resources and assisted in the identification and creation of a new system that would transform the NLPL into a Regional Library System. The NLPL has recognized that the original sustainability plan under development had become redundant and superseded by the Regional Library System.

However, in June 2016, this decision was suspended and an organizational and service review was announced. This review will form the future of provincial library resources.

Year 3 Objective

By March 31, 2017, the provincial board will have continued implementation of select options to maximize services.

Measures: Continued implementation of select options to maximize services

Indicators: Commenced development of new sustainability plan pending outcome of an organizational and service review

OPPORTUNITIES AND CHALLENGES

During 2015-16 a number of opportunities and challenges, which are important to the board, were identified. They include:

Online Opportunities for NLPL

As Information and Communication Technologies (ICT) progress in sophistication and importance, there are numerous possible avenues for PILRB to reach new patrons and expand services to current patrons. These possibilities are founded upon current offerings in the Newfoundland & Labrador Public Library's e-library (<http://elibrary.nlpl.ca>), which provides access to timeless and popular fiction and non-fiction in formats familiar to a new generation of library users and valued by our loyal patrons who are navigating the ever expanding world of ICT. As society settles upon the formats in which content will be consumed, public use has shown that a mix of traditional print and innovative electronic resources are desired. PILRB is in the process of augmenting its strong foundation of print material with a robust offering of electronic services. The Board is investigating new streaming services, online periodical offerings, and upgrades to ICT infrastructure that will provide the necessary resources demanded by the watershed that defines our current age.

Early Literacy

As the partnership with the Department of Education and Early Childhood Development and associated government funding continues, there will be great opportunity to enhance library spaces to be more inviting for families and to elevate children's programming. Through staff training, outreach, promotion, and resource development libraries can continue to move forward in creating spaces where families enjoy spending time and early literacy development is supported. The Every Child Ready to Read Program will continue to be an instrumental tool in training staff, assessing early literacy spaces, and infusing research into existing programming.

Increasing Cost of Library Equipment, Materials and Contract Services

The costs of library equipment, materials and contract services continue to increase. Options will be explored to improve efficiencies where possible to make the best use of limited resources.

Succession Planning

Historically, the transfer of specialized skills within the organization has been challenging. Various skills were mastered by a limited number of individuals and when they leave the organization their knowledge and skills are lost. This has been resolved by taking the opportunity to hire professional librarians with skills specific to those required by the

organization and by taking part in “train the trainer” exercises. Added to this is the difficulty of training for hard to fill position such as cataloguers. The technical skills of these positions requires training which is not available in this province.

An aging work force has been particularly relevant for our management staff. As of 2015, three of our four divisional managers were eligible for retirement. The organization is also having issues recruiting for management positions. One position in particular has been vacant for six months and two attempts to recruit publically have not yet produced a candidate with the required skills.

Appendix 1
Provincial Information and Library Resources Board
Members

Provincial Information and Library Resources Board
Board Membership as of March 31, 2016

Divisional Board Representatives

Name	Location
1. Noonan, Gillian Eastern Board Representative	Old Perlican
2. Pink, James Western Newfoundland and Labrador Board Representative	Burgeo
3. Goodridge, Alan (Vice-Chair) St. John's Board Representative	Goulds
4. Alpen, Myrtice Central Board Representative	Lewisporte

Regional Board Observers

1. Lawlor, Ed Eastern Board Observer	Conception Bay South
2. Stockley, Sarah Central Board Observer	Twillingate
3. Ford, Augusta St. John's Board Observer	St. John's
4. Simmons, Vicki Western Newfoundland and Labrador Board Observer	St. Andrews

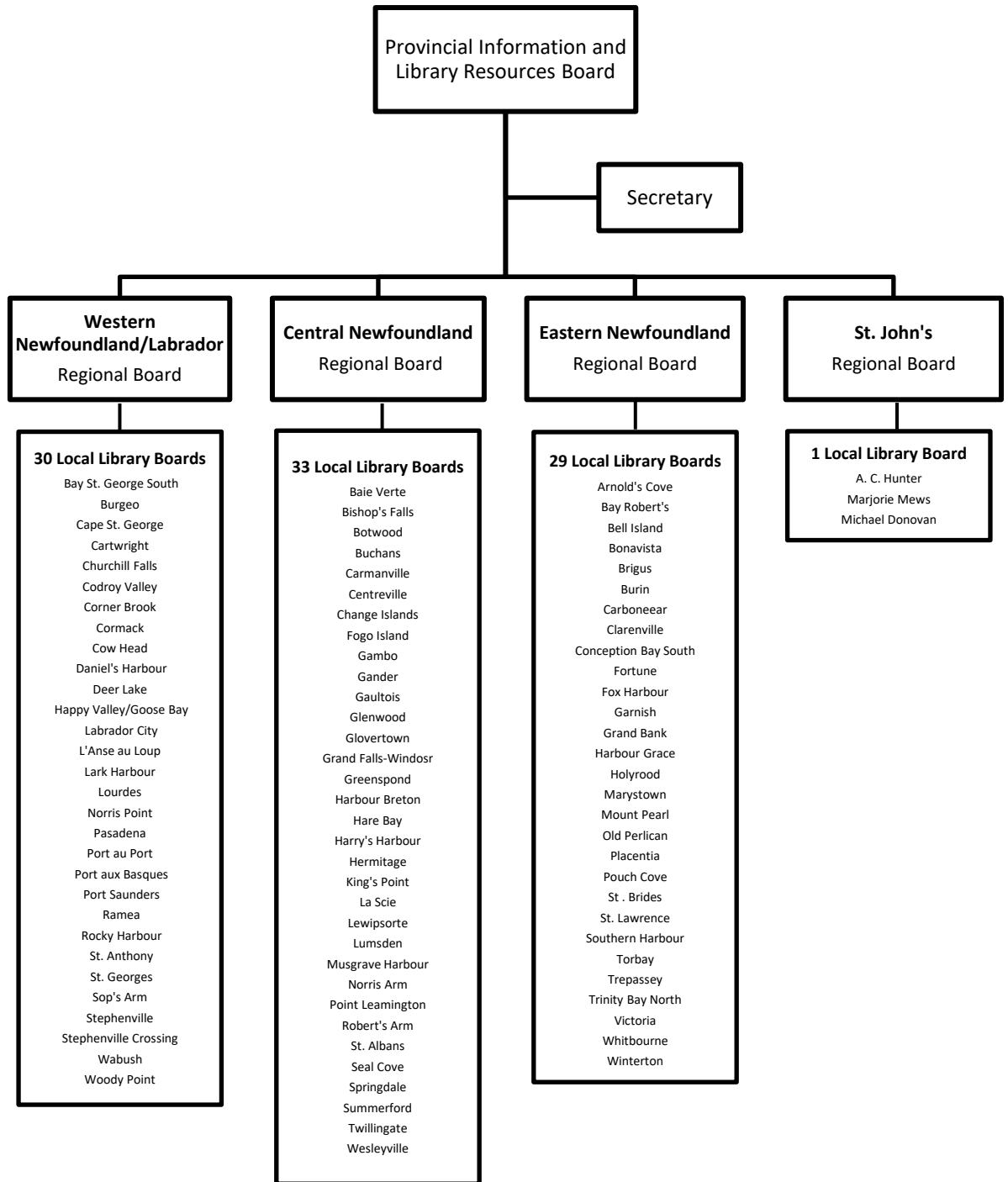
Appointees of the Lieutenant Governor in Council

1. Bellows, Carla	Rocky Harbour
2. Walsh, Patrick	Mount Pearl
3. Hayward, Rick	St. John's
4. Hynes, Estelle	Kippens
5. ADM Education and Early Childhood Development – Joan Morris	St. John's
6. Taylor, Calvin (Chair)	Conception Bay South

Appendix 2
Newfoundland and Labrador
Public Libraries
Board Structures
March 31, 2016

Newfoundland and Labrador Public Libraries

Board Structures



Appendix 3
Provincial Information and
Library Resources Board
Audited Financial Statements
2015-16

**PROVINCIAL INFORMATION AND
LIBRARY RESOURCES BOARD**

FINANCIAL STATEMENTS

MARCH 31, 2016

Management's Report

Management's Responsibility for the Provincial Information and Library Resources Board Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded and liabilities are recognized.

Management is also responsible for ensuring that transactions comply with relevant policies and authorities and are properly recorded to produce timely and reliable financial information.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial information periodically and external audited financial statements yearly.

The Auditor General conducts an independent audit of the annual financial statements of the Board in accordance with Canadian generally accepted auditing standards, in order to express an opinion thereon. The Auditor General has full and free access to financial management of the Provincial Information and Library Resources Board.

On behalf of the Provincial Information and Library Resources Board.



Mr. Andrew Hunt, CPA, CGA
Executive Director



**AUDITOR
GENERAL**
of Newfoundland and Labrador

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Provincial Information and Library Resources Board
Stephenville, Newfoundland and Labrador

Report on the Financial Statements

I have audited the accompanying financial statements of the Provincial Information and Library Resources Board which comprise the statement of financial position as at March 31, 2016, the statements of operations, remeasurement gains and losses, change in net debt, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Independent Auditor's Report (cont.)

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Provincial Information and Library Resources Board as at March 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink, appearing to read 'T. Paddon', with a long horizontal flourish extending to the right.

TERRY PADDON, CPA, CA
Auditor General

July 14, 2016
St. John's, Newfoundland and Labrador

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
STATEMENT OF FINANCIAL POSITION

March 31

2016

2015

FINANCIAL ASSETS

Cash	\$ 3,257,231	\$ 3,237,290
Accounts receivable (Note 3)	65,159	61,420
Due from the Province	296,165	127,925
Portfolio investments (Note 4)	70,308	65,492
	3,688,863	3,492,127

LIABILITIES

Accounts payable and accrued liabilities (Note 5)	674,021	823,232
Employee future benefits (Note 6)	2,136,903	2,162,445
Deferred revenue (Note 7)	1,336,695	1,540,480
Obligation under capital lease (Note 9)	23,786	27,864
	4,171,405	4,554,021
Net debt	(482,542)	(1,061,894)

NON-FINANCIAL ASSETS

Inventories held for use	81,872	80,121
Prepaid expenses	199,480	171,235
Tangible capital assets (Note 10)	1,992,677	2,004,136
	2,274,029	2,255,492
Accumulated surplus	\$ 1,791,487	\$ 1,193,598


Accumulated surplus is comprised of:

Accumulated operating surplus	\$ 1,744,671	\$ 1,151,598
Accumulated remeasurement gains	46,816	42,000
	\$ 1,791,487	\$ 1,193,598

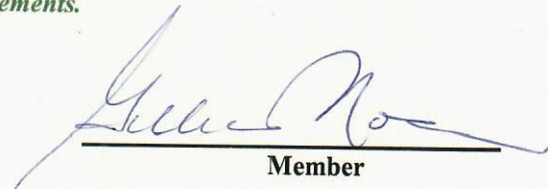
Contractual obligations (Note 8)
Trusts under administration (Note 11)

The accompanying notes and supplementary schedules are an integral part of these financial statements.

Signed on behalf of the Board:



 Chairperson



 Member

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

STATEMENT OF OPERATIONS

For the Year Ended March 31

	2016 Budget	2016 Actual	2015 Actual
	(Note 13)		
REVENUE			
Province of Newfoundland and Labrador			
Operating grant	\$ 10,882,100	\$ 11,140,065	\$ 10,025,825
Capital grant	317,405	365,200	322,595
Early Literacy Program	-	142,620	309,518
Kinderstart Literacy Program	-	32,465	60,005
Miscellaneous	65,000	67,041	68,592
Fines and lost library materials	55,500	55,981	55,585
Interest	34,000	34,928	43,903
Gain on disposal of tangible capital assets	-	6,163	-
Dividend revenue	-	2,584	2,416
	11,354,005	11,847,047	10,888,439
EXPENSES (Note 16)			
Administration	2,585,648	2,379,051	2,192,743
Amortization	-	417,289	375,604
Early Literacy	-	142,620	302,371
Kinderstart	-	32,704	60,005
Library Collection	1,666,813	1,443,284	1,435,223
Library Operations	6,963,347	6,574,555	6,163,700
Public Computer Access	314,113	264,471	250,021
	11,529,921	11,253,974	10,779,667
Annual operating (deficit) surplus	(175,916)	593,073	108,772
Accumulated operating surplus, beginning of year	1,151,598	1,151,598	1,042,826
Accumulated operating surplus, end of year	\$ 975,682	\$ 1,744,671	\$ 1,151,598

The accompanying notes and supplementary schedules are an integral part of these financial statements.

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the Year Ended March 31

2016

2015

Accumulated remeasurement gains, beginning of year	\$ 42,000	\$ 40,742
Unrealized gains attributable to:		
Portfolio investments	4,816	1,258
<u>Accumulated remeasurement gains, end of year</u>	<u>\$ 46,816</u>	<u>\$ 42,000</u>

The accompanying notes and supplementary schedules are an integral part of these financial statements.

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
STATEMENT OF CHANGE IN NET DEBT
For the Year Ended March 31

	2016 Budget	2016 Actual	2015 Actual
(Note 13)			
<u>Annual operating surplus (deficit)</u>	\$ (175,916)	\$ 593,073	\$ 108,772
Changes in other non-financial assets			
Use of prepaid expenses	-	171,235	158,769
Acquisition of prepaid expenses	-	(199,480)	(171,235)
Net (acquisition) use of inventories held for use	-	(1,751)	7,158
	-	(29,996)	(5,308)
Changes in tangible capital assets			
Acquisition of tangible capital assets	-	(406,233)	(158,905)
Gain on disposal of tangible capital assets	-	(6,163)	-
Proceeds from disposal of tangible capital assets	-	6,566	-
Amortization of tangible capital assets	-	417,289	375,604
	-	11,459	216,699
<u>Effect of remeasurement gains for the year</u>	-	4,816	1,258
(Increase) decrease in net debt	(175,916)	579,352	321,421
<u>Net debt, beginning of year</u>	(1,061,894)	(1,061,894)	(1,383,315)
<u>Net debt, end of year</u>	\$ (1,237,810)	\$ (482,542)	\$ (1,061,894)

The accompanying notes and supplementary schedules are an integral part of these financial statements.

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

STATEMENT OF CASH FLOWS

For the Year Ended March 31

	2016	2015
Operating transactions		
Annual operating surplus	\$ 593,073	\$ 108,772
Adjustment for non-cash items		
Amortization	417,289	375,604
Gain on disposal of tangible capital assets	(6,163)	-
	1,004,199	484,376
Change in non-cash operating items		
Accounts receivable	(3,739)	4,250
Due from the Province	(168,240)	108,775
Accounts payable and accrued liabilities	(149,211)	(35,956)
Employee future benefits	(25,542)	(9,310)
Deferred revenue	(203,785)	(270,417)
Inventories held for use	(1,751)	7,158
Prepaid expenses	(28,245)	(12,466)
Cash provided from operating transactions	423,686	276,410
Capital transactions		
Acquisition of tangible capital assets	(406,233)	(158,905)
Proceeds from disposal of tangible capital assets	6,566	-
Cash applied to capital transactions	(399,667)	(158,905)
Financing transactions		
Repayments of obligations under capital lease	(4,078)	(4,078)
Cash applied to financing transactions	(4,078)	(4,078)
Increase in cash	19,941	113,427
Cash, beginning of year	3,237,290	3,123,863
Cash, end of year	\$ 3,257,231	\$ 3,237,290

The accompanying notes and supplementary schedules are an integral part of these financial statements.

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
SCHEDULE OF OPERATING GRANTS TO LOCAL LIBRARIES
For the Year Ended March 31

2016

2015

Eastern Division

Arnold's Cove	\$ 5,624	\$ 6,985
Bay Roberts	74,637	74,290
Bell Island	1,082	1,179
Bonavista	3,308	4,167
Brigus	7,339	9,993
Burin	620	1,055
Carbonear	40,368	40,158
Catalina	4,331	4,756
Clareville	14,583	18,071
Conception Bay South	11,563	10,787
Fortune	396	403
Fox Harbour	4,706	6,800
Garnish	456	450
Grand Bank	10,757	13,038
Harbour Grace	8,654	13,371
Holyrood	5,744	6,101
Marystown	465	1,756
Mount Pearl	12,363	14,216
Old Perlican	1,996	2,975
Placentia	25,509	31,145
Pouch Cove	2,227	2,358
St. Brides	9,417	7,460
St. Lawrence	452	536
Southern Harbour	943	2,715
Torbay	11,284	3,936
Trepassey	9,120	11,666
Victoria	712	766
Whitbourne	3,642	5,680
Winterton	573	592
	272,871	297,405

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
SCHEDULE OF OPERATING GRANTS TO LOCAL LIBRARIES (Cont.)

For the Year Ended March 31

2016

2015

Central Division

Baie Verte	4,888	5,295
Bishop's Falls	6,678	1,415
Botwood	6,523	6,691
Buchans	650	608
Carmanville	741	1,428
Centerville	1,593	668
Change Islands	458	483
Fogo	833	571
Gambo	6,877	7,067
Gander	42,844	36,462
Gaultois	2,347	2,772
Glenwood	1,372	1,204
Glovertown	605	1,880
Grand Falls-Windsor	4,167	4,382
Greenspond	4,306	6,105
Harbour Breton	644	774
Hare Bay	515	751
Harry's Harbour	5,155	5,375
Hermitage	804	771
King's Point	4,508	6,070
LaScie	3,888	8,151
Lewisporte	4,041	6,237
Lumsden	532	677
Musgrave Harbour	1,372	780
Norris Arm	1,173	2,162
Point Leamington	1,208	963
Robert's Arm	1,906	4,025
St. Albans	1,087	899
Seal Cove	680	3,718
Springdale	1,556	1,025
Summerford	1,814	1,774
Twillingate	829	849
Wesleyville	505	488
	117,099	122,520

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
SCHEDULE OF OPERATING GRANTS TO LOCAL LIBRARIES (Cont.)

For the Year Ended March 31

2016

2015

**Western Newfoundland -
 Labrador Division**

Bay St. George South	1,877	1,744
Burgeo	642	593
Cape St. George	656	629
Cartwright	671	522
Churchill Falls	87	258
Codroy Valley	512	530
Cormack	1,756	1,687
Corner Brook	208,767	208,959
Cow Head	6,328	8,869
Daniel's Harbour	648	1,525
Deer Lake	14,705	16,816
Happy Valley	2,302	1,522
Labrador City	13,372	15,720
L'Anse au Loup	758	1,688
Lark Harbour	508	556
Lourdes	1,005	1,136
Norris Point	2,895	2,268
Pasadena	3,260	4,807
Port au Port	683	639
Port aux Basques	16,073	17,678
Port Saunders	5,073	7,578
Ramea	532	546
Rocky Harbour	470	440
St. Anthony	1,757	1,554
St. George's	1,086	1,090
Sops Arm	1,670	1,209
Stephenville	31,656	30,370
Stephenville Crossing	1,117	1,455
Wabush	1,783	1,699
Woody Point	3,844	4,379
	326,493	338,466
	\$ 716,463	\$ 758,391

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

1. Nature of operations

The Provincial Information and Library Resources Board (the Board) operates under the authority of the *Public Libraries Act*. The purpose of the Board is to operate the public libraries in the Province. A majority of the members of the Board are appointed by the Lieutenant-Governor in Council. The Board reports to the Minister of Education and Early Childhood Development.

The reporting entity for the purpose of these financial statements is the Board's head office and divisional offices. These financial statements include expenditures for grants made to local libraries under the jurisdiction of the three divisional library boards detailed in the Schedule to the financial statements. Funds raised by local libraries are not reflected in these financial statements.

The Board is a Crown entity of the Province of Newfoundland and Labrador and as such is not subject to Provincial or Federal income taxes.

2. Summary of significant accounting policies

(a) Basis of accounting

The Board is classified as an Other Government Organization as defined by Canadian Public Sector Accounting Standards (CPSAS). These financial statements have been prepared by the Board's management in accordance with CPSAS for provincial reporting entities established by the Canadian Public Sector Accounting Board. Outlined below are the significant accounting policies followed.

(b) Financial instruments

The Board's financial instruments recognized in the statement of financial position consist of cash, accounts receivable, due from the Province, portfolio investments, accounts payable and accrued liabilities, and obligation under capital lease. The Board generally recognizes a financial instrument when it enters into a contract which creates a financial asset or financial liability. Financial assets and financial liabilities are initially measured at cost, which is the fair value at the time of acquisition.

The Board subsequently measures all of its financial assets and financial liabilities at cost or amortized cost, except for portfolio investments in equity instruments that are quoted in an active market, which are measured at fair value. Financial assets measured at cost include cash, accounts receivable, and due from the Province. Financial liabilities measured at cost include accounts payable and accrued liabilities. Financial liabilities measured at amortized cost include obligation under capital lease.

The carrying values of cash, accounts receivable, due from the Province, and accounts payable and accrued liabilities approximate current fair value due to their nature and the short-term maturity associated with these instruments. The carrying value of obligation under capital lease is considered to approximate market value.

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

2. Summary of significant accounting policies (cont.)

(b) Financial instruments (cont.)

The Board uses the quoted market price as at the fiscal year end to measure the fair value of its portfolio investments. Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations.

Interest and dividends attributable to financial instruments are reported in the statement of operations.

(c) Cash

Cash includes cash in bank.

(d) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the lower of the Board's rate for incremental borrowing or the interest rate implicit in the lease. Note 9 provides a schedule of repayments and amount of interest on the leases.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	40 years
Building improvements	10 years
Furniture and equipment	10 years
Motor vehicles	5 years
Computer equipment	3 years
Software	5 years
Assets under capital lease	10 years

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

2. Summary of significant accounting policies (cont.)

(d) Tangible capital assets (cont.)

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Board's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

Contributed tangible capital assets are recorded as revenue at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at carrying value.

(e) Inventories held for use

Inventories held for use include office supplies and postage, and are recorded at the lower of historical cost and replacement cost.

(f) Prepaid expenses

Prepaid expenses include subscriptions, insurance and licenses, and are charged to expenses over the periods expected to benefit from it.

(g) Employee future benefits

Employee future benefits include severance pay and accumulating non-vesting sick leave benefits.

- (i) Severance is accounted for on an accrual basis and is calculated based upon years of service and current salary levels.
- (ii) The cost of accumulating non-vesting sick leave benefits is actuarially determined using management's best estimates of long-term inflation rates, compensation increases, discount rate and remaining service life.

Under the *Public Libraries Act*, the employees of the Board are subject to the *Public Services Pensions Act, 1991*. Employee contributions are matched by the Board and remitted to the Public Service Pension Plan Corporation from which pensions will be paid to employees when they retire. This plan is a multi-employer defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and the average of their best six years of earnings for service on or after January 1, 2015, and, for service before January 1, 2015, the higher of the average of the frozen best 5 years of earnings up to January 1, 2015, or the average of the best 6 years of earnings for all service.

Employee future benefits expenses are included with salaries and benefits in the Board's financial statements.

2. Summary of significant accounting policies (cont.)

(h) Revenues

Revenues are recorded on an accrual basis in the period in which the transactions or events which gave rise to the revenues occurred. When the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable, revenues are recorded when received.

Dividend revenue on portfolio investments is recognized when the dividend is declared.

Government transfers (Province of Newfoundland and Labrador grants) are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation related to the liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

(i) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is recorded as an expense in that year.

Transfers include operating grants to local libraries. These transfers are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

(j) Measurement uncertainty

The preparation of financial statements in conformity with CPSAS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the expected future life of tangible capital assets, the probability of future severance payments made to employees with less than nine years of service and the probability of future sick leave benefits utilized by employees.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

3. Accounts receivable

	<u>2016</u>	<u>2015</u>
Federal Government		
Harmonized Sales Tax	\$ 29,804	\$ 37,304
Other	35,355	24,116
	<u>\$ 65,159</u>	<u>\$ 61,420</u>

There is no allowance for doubtful accounts since all amounts are considered collectible.

4. Portfolio investments

Portfolio investments consist of 1,678 shares of Sun Life Financial Services of Canada Inc. which were given to the Board as a result of the demutualization of Sun Life Assurance Company of Canada. The carrying value of the shares is equal to their market price at the time of transfer to the Board.

	<u>Market Value</u>		<u>Carrying Value</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Investments held directly				
Sun Life Financial Services				
of Canada - 1,678 shares	\$ 70,308	\$ 65,492	\$ 23,492	\$ 23,492

5. Accounts payable and accrued liabilities

	<u>2016</u>	<u>2015</u>
Accounts payable	\$ 87,932	\$ 114,297
Accrued salaries and benefits	586,089	708,935
	<u>\$ 674,021</u>	<u>\$ 823,232</u>

6. Employee future benefits

Employee future benefits consists of:

	<u>2016</u>	<u>2015</u>
Severance pay (a)	\$ 1,422,070	\$ 1,416,153
Accumulating non-vesting sick leave benefit liability (b)	714,833	746,292
	<u>\$ 2,136,903</u>	<u>\$ 2,162,445</u>

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
NOTES TO FINANCIAL STATEMENTS
March 31, 2016

6. Employee future benefits (cont.)

(a) Severance pay

Severance pay consists of the severance pay liability related to the following employees:

	<u>2016</u>	<u>2015</u>
Employees with 9 or more years of service	\$ 1,254,861	\$ 1,250,543
Employees with less than 9 years of service	167,209	165,610
	<u>\$ 1,422,070</u>	<u>\$ 1,416,153</u>

(b) Accumulating non-vesting sick leave benefit liability

	<u>2016</u>	<u>2015</u>
Accrued accumulating non-vesting sick leave benefit obligation, end of year	\$ 453,187	\$ 793,770
Unamortized actuarial gain (loss), end of year	261,646	(47,478)
Accumulating non-vesting sick leave benefit liability, end of year	<u>\$ 714,833</u>	<u>\$ 746,292</u>

(c) Change in accumulating non-vesting sick leave benefit liability

	<u>2016</u>	<u>2015</u>
Current year benefit cost	\$ 37,123	\$ 81,819
Interest on accrued benefit obligation	13,950	28,924
Amortization of actuarial (gain) losses	(19,917)	1,564
Accumulating non-vesting sick leave benefit expense	<u>31,156</u>	<u>112,307</u>
Benefit payments	<u>(62,615)</u>	<u>(119,876)</u>
Change in accumulating non-vesting sick leave benefit liability	<u>\$ (31,459)</u>	<u>\$ (7,569)</u>

6. Employee future benefits (cont.)

(d) Employee future benefits

i. Severance pay

Severance is accounted for on an accrual basis and is calculated based upon years of service and current salary levels. The right to be paid severance vests with employees with nine years of continuous service, and accordingly a liability has been recorded by the Board for these employees. For employees with less than nine years of continuous service, the Board has made a provision in the accounts for the payment of severance which is based upon the Board's best estimate of the probability of having to pay severance to the employees and current salary levels. In determining the best estimate of the probability that employees would be paid severance, the Board considered the rate of employee turnover. Employees with prior service with the Government of Newfoundland and Labrador or a Crown corporation or agency may be considered for severance provided the previous employer followed the same or an equivalent severance policy. Severance is payable when the employee ceases employment with the Board provided no severance has been paid by Government or another Crown corporation or agency for the same period and the employee has at least nine years of continuous service.

ii. Accumulating non-vesting sick leave benefits

All unionized employees hired before May 4, 2004, are credited with 2 days per month and all unionized employees hired thereafter are credited with 1 day per month for use as paid absences in the year due to illness. Employees are allowed to accumulate unused sick day credits each year, up to the allowable maximum provided in their respective employment agreement. Accumulated credits may be used in future years to the extent that the employee's illness exceeds the current year's allocation of credits. The use of accumulated sick days for sick leave compensation ceases on termination of employment. The benefit costs and liabilities related to the plan are included in the financial statements. For the year ended March 31, 2016, a sick leave liability was calculated for 191 employees.

The accrued benefit obligation for accumulating non-vesting sick leave benefits for the year ended March 31, 2016, is based on an actuarial extrapolation for accounting purposes to March 31, 2016 (valuation date as of March 31, 2015).

The actuarial extrapolation is based on assumptions about future events. The economic assumptions used in this extrapolation are the Board's best estimates of compensation increases of 3.75% per annum and discount rate of 3.7%. Other assumptions used in the extrapolation include estimates of expected termination rates, utilization rates and mortality rates.

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
NOTES TO FINANCIAL STATEMENTS
March 31, 2016

6. Employee future benefits (cont.)

(d) Employee future benefits (cont.)

ii. Accumulating non-vesting sick leave benefits (cont.)

Actuarial assumptions are reviewed and assessed on a regular basis to ensure that the accounting assumptions take into account various changing conditions and reflect the Board's best estimate of expectations over the long term.

Experience gains or losses are amortized over 12 years, which is the estimated average remaining service life of active employees. The amortization amount will be included as an expense in the financial statements commencing in the year subsequent to the year in which the experience gain or loss arose.

iii. Pension contributions

The Board and its employees contribute to the Public Service Pension Plan in accordance with the *Public Service Pensions Act, 1991* (the *Act*). The plan is administered by the Public Service Pension Plan Corporation, including payment of pension benefits to employees to whom the *Act* applies.

The plan provides a pension to employees based on their age at retirement, length of service and rates of pay. The maximum contribution rate for eligible employees was 11.85% (2015 - 11.85%). The Board's contributions equal the employees' contributions to the plan. Total Public Service Pension Plan expense for the Board for the year ended March 31, 2016, was \$364,895 (2015 - \$281,474).

Employees who do not qualify to participate in the Public Service Pension Plan (for example, part-time employees) participate in the Government Money Purchase Pension Plan (GMPP). The GMPP is a defined contribution plan which was established under the *Government Money Purchase Pension Plan Act*. Employees are required to contribute 5% of regular earnings which is matched by the Board. Employees may make additional voluntary contributions, however, the maximum amount for all contributions may not exceed the lesser of 18% of an employee's earnings and the maximum amount allowed as specified under the *Income Tax Act*. Total GMPP expense for the Board for the year ended March 31, 2016, was \$123,326 (2015 - \$111,496).

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

7. Deferred revenue

Deferred revenues are set aside for specific purposes as required either by legislation, regulation or agreement. As at March 31, 2016, the Board reported the following:

	Balance at beginning of year	Receipts during year	Transferred to revenue	Balance at end of year
Provincial source revenue	\$ 1,534,158	\$ 222,600	\$ 420,285	\$ 1,336,473
Other source revenue	6,322	-	6,100	222
	<u>\$ 1,540,480</u>	<u>\$ 222,600</u>	<u>\$ 426,385</u>	<u>\$ 1,336,695</u>

Deferred revenue relates to grants received for specific programs such as literacy initiatives and library book purchases, and renovations to local libraries which have not yet been spent for these purposes by the Board. These amounts will be recognized as revenue when the specific program expenses are incurred or the capital equipment is acquired.

8. Contractual obligations

The Board has entered into lease agreements for postal equipment and various rental properties throughout the Province. Future minimum lease payments are as follows:

2017	\$ 676,454
2018	584,348
2019	531,613
2020	454,134
2021	454,134
Thereafter	<u>2,306,306</u>
	<u>\$ 5,006,989</u>

9. Obligation under capital lease

The Board acquired office furniture under the terms of a lease agreement ending January 31, 2022. There is no interest under the terms of the agreement and the Board will assume ownership at the end of the 10 year term.

	<u>2016</u>	<u>2015</u>
<u>Obligation under capital lease</u>	<u>\$ 23,786</u>	<u>\$ 27,864</u>

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
NOTES TO FINANCIAL STATEMENTS
March 31, 2016

9. Obligation under capital lease (cont.)

Payments under this obligation for the next 6 years are as follows:

2017	\$ 4,078
2018	4,078
2019	4,078
2020	4,078
2021 - 2022	7,474
<u>Total minimum lease payments</u>	<u>\$ 23,786</u>

10. Tangible capital assets

Original Cost

	Balance March 31, 2015	Additions	Disposals	Balance March 31, 2016
Land	\$ 285,907	\$ -	\$ -	\$ 285,907
Buildings	1,758,867	-	-	1,758,867
Building improvements	1,798,174	271,183	-	2,069,357
Furniture and equipment	1,842,969	29,644	14,634	1,857,979
Motor vehicles	206,809	19,176	22,719	203,266
Computer equipment	1,290,213	86,230	55,599	1,320,844
Software	168,688	-	-	168,688
Assets under capital lease	40,777	-	-	40,777
	<u>\$ 7,392,404</u>	<u>\$ 406,233</u>	<u>\$ 92,952</u>	<u>\$ 7,705,685</u>

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
NOTES TO FINANCIAL STATEMENTS
March 31, 2016

10. Tangible capital assets (cont.)

Accumulated Amortization

	Balance March 31, 2015	Amortization	Disposals	Balance March 31, 2016	Net book value March 31, 2016	Net book value March 31, 2015
Land	\$ -	\$ -	\$ -	\$ -	\$ 285,907	\$ 285,907
Buildings	1,319,480	34,074	-	1,353,554	405,313	439,387
Building improvements	1,131,077	194,704	-	1,325,781	743,576	667,097
Furniture and equipment	1,316,076	102,949	14,231	1,404,794	453,185	526,893
Motor vehicles	201,621	9,023	22,719	187,925	15,341	5,188
Computer equipment	1,235,014	72,461	55,599	1,251,876	68,968	55,199
Software	168,688	-	-	168,688	-	-
Assets under capital lease	16,312	4,078	-	20,390	20,387	24,465
	\$ 5,388,268	\$ 417,289	\$ 92,549	\$ 5,713,008	\$ 1,992,677	\$ 2,004,136

11. Trusts under administration

Trust funds administered by the Board have not been included in the financial statements as expenditures of these funds are not controlled by the Board. The balances of funds held in trust are as follows:

	<u>2016</u>	<u>2015</u>
Local libraries - deposits	\$ 109,167	\$ 107,160
<u>Provincial Territorial Public Library Council</u>	<u>75,000</u>	<u>66,960</u>
	\$ 184,167	\$ 174,120

Funds raised by some local libraries have been deposited with the Board to cover the cost of wages for additional opening hours and for the purchase of books, periodicals and computers. The balance on deposit at March 31, 2016 consists of cash of \$23,863 (2015 - \$24,780), and 4,451 shares (2015 - 4,261 shares) of various Investor Group Mutual Funds held in trust for the St. John's Public Library Board which were donated to the Board. The carrying value of the mutual funds is recognized at \$85,304 (2015 - \$82,380), as determined by the average cost at the time the shares were acquired by the Board. The fair market value of these shares at March 31, 2016 was \$109,249 (2015 - \$113,686).

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

11. Trusts under administration (cont.)

The Provincial/Territorial Public Library Council is a national public library group comprising the provincial/territorial public library directors or senior policy advisors whose mandate is to facilitate the coordination of cross-jurisdictional public-library initiatives and to act as a point of contact with national library organizations and the Federal government. The membership fees are paid annually into an account for operational support and special projects. The group has established guidelines regarding funding expenditures.

12. Related party transactions

Province of Newfoundland and Labrador

- (a) The Board receives grant funding from the Province of Newfoundland and Labrador. During the year, the Board received grants totaling \$11,186,500 (2015 - \$10,446,325). The Board recognized \$11,680,350 (2015 - \$10,717,943) in revenue from the Province of Newfoundland and Labrador.
- (b) As at March 31 2016, the Board was owed \$296,165 (2015 - \$127,925) from the Province of Newfoundland and Labrador.

13. Budget

The Board's budget is prepared on a cash basis. The 2016 budget expenses exceeded the Board's budgeted revenues and the expected difference would be funded from cash surpluses carried forward from prior years.

14. Donated acquisitions

Donated acquisitions are gifts of artwork, books, periodicals, DVDs and other library resources that the Board has received, and for which a tax receipt has been issued to the donor based on established rates per policy or an appraised value. Donated acquisitions are not reflected in the Board's financial statements. During the year, the Board issued receipts for non-cash donations of \$207,690 (2015 - \$203,120).

15. Financial risk management

The Board recognizes the importance of managing risks and this includes policies, procedures and oversight designed to reduce risks identified to an appropriate threshold. The Board is exposed to credit risk, liquidity risk and market risk through its financial instruments. There was no significant change in the Board's exposure to these risks or its processes for managing these risks from the prior year.

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

15. Financial risk management (cont.)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Board's main credit risk relates to cash, accounts receivable and due from the Province. The Board's maximum exposure to credit risk is the carrying amounts of these financial instruments. The Board is not exposed to significant credit risk with its cash because this financial instrument is held with a chartered bank. The Board is not exposed to significant credit risk with the amount due from the Province because of its nature. The Board is not exposed to significant credit risk related to its accounts receivable as it has policies and procedures for the monitoring and collection of its accounts receivable so as to mitigate potential credit losses. Any estimated impairment of these accounts receivable has been provided for through a provision for doubtful accounts. At the present time there is no provision for doubtful accounts as all amounts are considered collectible.

Liquidity risk

Liquidity risk is the risk that the Board will be unable to meet its contractual obligations and financial liabilities. The Board manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient resources available to meet its contractual obligations and financial liabilities. The Board's exposure to liquidity risk relates mainly to its accounts payable and accrued liabilities, obligation under capital lease and contractual obligations. The future minimum payments required from the Board in relation to its contractual obligations and obligation under capital lease are outlined in Notes 8 and 9 respectively.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency (foreign exchange) risk, interest rate risk and other price risk. The Board is not exposed to significant foreign exchange risk. The Board is not exposed to interest rate risk on its obligation under capital lease because it is non-interest bearing. In addition, the Board is not exposed to significant interest rate risk related to cash because of its nature.

The Board is exposed to other price risk on its portfolio investments (equity investments) as the investments are quoted in an active market in which share pricing can fluctuate. The Board's maximum other price risk is limited to the fair value of the shares as at March 31, 2016. As the Board's investment consists of 1,678 shares, any price fluctuation of \$1 to the quoted market price will result in an unrecognized gain or loss of \$1,678 for the Board.

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
NOTES TO FINANCIAL STATEMENTS
March 31, 2016

16. Expenses by Object

	2016 Budget	2016 Actual	2015 Actual
	(Note 13)		
Amortization	\$ -	\$ 417,289	\$ 375,604
Books and Periodicals	900,000	877,369	893,213
Computerization of Libraries	365,000	271,383	269,249
Conference and Workshops	60,000	4,125	33,439
Early Literacy Program	-	142,620	299,465
Freight and Postage	58,750	37,025	37,203
Library Operations (Grants)	949,925	716,463	758,391
Insurance	75,665	75,124	75,039
Kinderstart Literacy Program	-	32,704	60,005
Miscellaneous	-	1,375	2,160
Office and Library Supplies	116,935	98,431	111,014
Professional Fees	7,833	13,159	28,536
Rental of Premises	360,669	356,590	356,590
Repairs and Maintenance	22,000	21,820	15,200
Salaries and Benefits	8,458,769	8,027,290	7,322,247
Telephone	60,600	56,120	54,195
Travel	93,775	105,087	88,117
	\$ 11,529,921	\$ 11,253,974	\$ 10,779,667

17. Non-financial assets

The recognition and measurement of non-financial assets is based on their service potential. These assets will not provide resources to discharge liabilities of the Board. For non-financial assets, the future economic benefit consists of their capacity to render service to further the Board's objectives.

18. Comparative figures

Certain comparative figures have been reclassified to conform to current year's presentation.

19. Subsequent event

On June 29, 2016, the Department of Education and Early Childhood Development authorized the Board to use \$281,904 in Provincial funding that, as at March 31, 2016, had been received and reported as deferred revenue for special purposes. The funds will be used during the 2016-17 fiscal year for continued operations of the public libraries.

Appendix 4
Newfoundland and Labrador
Public Libraries
Staff Organizational Chart

**Newfoundland and Labrador
Public Libraries**

Staff Organizational Chart

